

CONTRACT #2016-PR-

AGREEMENT

This AGREEMENT, entered into as of this 1st **day of July, 2015**, by and between the **Virginia Department of Housing and Community Development** hereinafter referred to as "DHCD" and the _____, hereinafter referred to as "SUBRECIPIENT."

WITNESSETH

WHEREAS, the Commonwealth of Virginia has been authorized to distribute and administer Indoor Plumbing Rehabilitation Loan Program (IPR) funds pursuant to the Home Investment Partnership Program and the Virginia Housing Partnership Act, and

WHEREAS, DHCD has been authorized by the Governor of the Commonwealth of Virginia to distribute and administer IPR funds in the form of INDOOR PLUMBING REHABILITATION LOAN PROGRAM CONTRACTS according to the DHCD Indoor Plumbing Rehabilitation Program Design, and

WHEREAS, the PROGRAM as described in the SUBRECIPIENT'S PROGRAM MANAGEMENT PLAN as submitted by the SUBRECIPIENT has qualified for IPR funding on the basis of DHCD's Indoor Plumbing Rehabilitation 2016 Program Design.

Now THEREFORE, the above mentioned parties hereto do mutually agree as follows:

1. DHCD agrees to award the SUBRECIPIENT an INDOOR PLUMBING REHABILITATION LOAN PROGRAM CONTRACT to pay the SUBRECIPIENT the allowable and eligible amounts set-up, approved, drawn down and expended for each individual project during the 2016 contract period herein described not to exceed **\$250,000.00 (two hundred fifty thousand dollars)**. Any increase or decrease in funding provided to the SUBRECIPIENT will be made available by a written amendment to this contract.
2. DHCD agrees to provide the SUBRECIPIENT with technical assistance in setting up and carrying out the administration of its INDOOR PLUMBING REHABILITATION LOAN PROGRAM CONTRACT.
3. The SUBRECIPIENT will commence, carry out and complete the following PROGRAM and numbers of units (more thoroughly described in the SUBRECIPIENT'S 2016 PROGRAM MANAGEMENT PLAN). It is the expectation of DHCD that *at least* four homes will be completed each program year.

LOCALITIES SERVED BY SUBRECIPIENT CONSTITUTING REGION :

Counties of

4. The aforementioned PROGRAM shall be carried out, and grant payments made in strict conformance with the CONTRACT DOCUMENTS.
5. The SUBRECIPIENT will use the IPR funds pursuant to its activity level. Any unexpended funds shall revert to the Department of Housing and Community Development. Other funding sources committed to the PROGRAM, per SUBRECIPIENT'S 2016 PROGRAM MANAGEMENT PLAN, are to be expended, to cover ineligible or unapproved (exceeding cost limits) project costs.
6. The SUBRECIPIENT will initiate the PROJECT(S) required by the CONTRACT DOCUMENTS beginning **July 1, 2015**, unless Special Conditions, identified below, require additional actions before proceeding with the PROJECT(S). In such instances the SUBRECIPIENT will initiate action relative to removal of the Special Conditions beginning with the execution of this AGREEMENT.
7. The SUBRECIPIENT shall complete the work as described in the CONTRACT DOCUMENTS on or before **June 30, 2017**. If the PROJECT(S) are not completed by that date IPR funds for incomplete PROJECTS and this AGREEMENT shall be terminated and the SUBRECIPIENT shall return all unexpended funds, unless an extension to the CONTRACT DOCUMENT provides otherwise.
8. All requests for payment should be made by the SUBRECIPIENT through DHCD's Centralized Application and Management System (CAMS). The Subrecipient should allow approximately twenty-one days to receive the funds.
9. The Subrecipient received \$40,000.00 in FY2014 to create an escrow account for prompt payment of contractors. These funds are considered "State Rollover" funds and should be kept in an interest-bearing account. The Rollover escrow account is to be repaid from subsequent requests for payments so the \$40,000.00 balance is kept intact. The escrow account should be used or returned to DHCD.
10. The term CONTRACT DOCUMENTS means the following documents are a part of this AGREEMENT and are incorporated by reference herein as if set out in full:
 - A. SUBRECIPIENT'S 2016 PROGRAM MANAGEMENT PLAN;
 - B. AGREEMENT;
 - C. SPECIAL CONDITIONS;
 - D. GENERAL CONDITIONS;
 - E. ASSURANCES;
 - F. AMENDMENTS;
 - G. The 2016 IPR PROGRAM DESIGN;
 - H. The 2016 IPR PROGRAM MANUAL (update pending);
 - I. SUBRECIPIENT'S 2016 PROGRAM INCOME PLAN; and
 - J. Approved SUBRECIPIENT Set-Ups, Project Cost Worksheets, revised Set-ups and Completion Reports.

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this Agreement in duplicate, each copy of which will be deemed an original.

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: _____ DATE: _____
Lisa A. Atkinson, Deputy Director

City of Richmond,
Commonwealth of Virginia

I do certify that Lisa A. Atkinson personally appeared before me and made oath that she is Deputy Director of the Department of Housing and Community Development and that she is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of _____, 2016.

Notary Public Registration Number

(SUBRECIPIENT)

BY: _____ DATE: _____

City/County/Town of _____,
Commonwealth of Virginia

I do certify that _____ personally appeared before me and made oath that she is the _____ of _____ and that she is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of _____, 20_____.

Notary Public Registration Number

SPECIAL CONDITIONS

1. In order to be eligible for assistance, a housing unit must:
 - a. have no commode and the occupants use an outdoor privy *or*
 - b. have a “failed septic system”:
 - i. A malfunctioning system in need of repair to the absorption system, deemed a health hazard by the Virginia Department of Health (VDH) due to the presence of sewage on the ground *or*
 - ii. A malfunctioning system in need of a VDH permit for repair to the absorption system.
2. No more than two of every three of the set-up requests submitted by the SUBRECIPIENT can qualify under the “failed septic system” definition as outlined above.
3. Remittances may be requested for payment of eligible project costs based on approved set-up amounts. Set-up requests from Subrecipients will be approved through **March 1, 2017** pending funding availability. A Project Set-Up Form (HUD-20094 as amended) must be uploaded into the Centralized Application and Management System (CAMS). The Set-up must meet the SUBRECIPIENT’S adopted criteria and prioritization as outlined in their Program Management Plan and all DHCD requirements for a completed Project Set-up.
4. The Incentive Pool will open on a first come, first serve basis on or about January 15th of each program year. All eligibility and ratio requirements of units will apply. Any SUBRECIPIENT that has not legitimately obligated \$250,000.00 of funding by January 1st may have its balance reallocated to the Incentive Pool for access by all regions.
5. IPR financial forecasting by the Subrecipient will be necessary in approximately February of each program year. The Subrecipient will be expected to provide to DHCD an accurate projection through June 30th in each program year, of the amount of IPR funds which will be legitimately, and according to the terms of this contract, expended by said date.
6. A Project Completion Form (HUD-20096 as amended) must be uploaded into CAMS upon construction completion, but not to exceed 120 days of set-up approval. **Approved set-ups may be cancelled if the funds are not requested and the project completed within 120 days after approval.** All final remittance requests must be submitted through CAMS no later than June 15th of each program year unless directed otherwise in writing.
7. The SUBRECIPIENT agrees that the initial allocation of Rollover funds it received and retained, will be deposited in an interest-bearing account (FDIC). In accordance with the IPR Program Manual, such funds are considered state funds. DHCD may require return of Rollover funds along with the interest earned if the SUBRECIPIENT fails to expend and replace its Rollover amount by January 1st of each program year.

8. Impact fees or proffers shall not be an eligible cost; however, the actual construction cost for connections to public water and sewer systems is eligible.
9. All funds offered as match shall be expended, documented and tracked in the same manner as IPR funds.
10. DHCD reserves the right to request any and all documentation pertaining to individual construction and/or non-professional service contracts prior to approving any and all remittance requests.
11. DHCD reserves the right to end funding at any point should the PROGRAM prove to be nonviable. This includes, but may not be limited to; lack of progress in conformance with DHCD's 2016 IPR Program Design or the SUBRECIPIENT'S approved Program Management Plan or approved set-ups.
12. The age of homeowner, occupants of the unit, and/or length of time it will take to complete rehab work cannot be considered in determining eligibility.
13. The SUBRECIPIENT certifies that all contractors and crews whom they procure have had appropriate lead based paint training and certifications as required by state and federal law.
14. The SUBRECIPIENT confirms that the Rehab Specialist is licensed by the Virginia Department of Professional and Occupational Regulation as a Lead Risk Assessor, or, if the Rehab Specialist is not a licensed Lead Risk Assessor, the SUBRECIPIENT assures full compliance. Compliance will include either a direct contract or service agreement between the SUBRECIPIENT and a licensed Risk Assessor, or a contract or service agreement between the Rehab Specialist and a licensed Risk Assessor. The SUBRECIPIENT must identify in its Program Management Plan the lead inspection process it is using.
15. The SUBRECIPIENT must maintain an effective filing system at the SUBRECIPIENT'S office. The criteria for an effective filing system require the files be coded, complete, accurate, organized, easy to use, timely, accessible and secure. Copies of supporting invoices and checks must be placed behind a copy of the associated drawdown request. A completed Client Financial Summary Report, documenting expenditures with IPR and any match funds, must be placed in each client's file.
16. Throughout the life of the project, the SUBRECIPIENT will ensure that the appropriate staff, including the Finance Manager and his/her designated backup, attends DHCD training.
17. The terms and conditions of the 2016 IPR Program Manual shall apply to this contract.
18. The SUBRECIPIENT will ensure that the Finance Manager is given a copy of the 2016 IPR

Program Manual and the DHCD-approved Program Income Plan and that the Program Administrator is given copies of all necessary financial paperwork, including copies of the invoices and checks.

19. The SUBRECIPIENT must submit its applicant waiting list and those of all of its partners before the submission of the first project set-up request.
20. The SUBRECIPIENT'S Listing of Pre-Qualified Contractors, Program Management Plan and Program Income Plan have been submitted for DHCD's review and concurrence. If changes are required, the revised Listing and/or Plan(s) must be adopted and the document(s) resubmitted before the submission of the first drawdown request for administrative costs.
21. The SUBRECIPIENT must submit copies of the proposed memoranda of understanding (MOU) with its partner agencies for DHCD's review and concurrence. If changes are required, the MOU must be revised, executed and resubmitted before the submission of the first drawdown request for administrative costs.
22. As the Centralized Application and Management System (CAMS) is implemented, at a minimum, the following must be observed:
 - A. The original executed Grant Agreement, Certification of Signatures and Address and Project Management Plan must be mailed to DHCD. Copies must also be uploaded into CAMS at the direction of the assigned Community Development Specialist.
 - B. All Project Set-ups and corresponding Attachments must be uploaded into CAMS.
 - C. All funding requests must be submitted through "Remittance" in CAMS.
 - D. If documentation is submitted at the same time as a remittance request, the explanation text box at the bottom of the Remittances screen must note this fact.
 - E. The following Project Set-up activity documents must be uploaded individually into CAMS for each project: Project Set-up Report, Certification of IPR Eligibility, IPR Project Costs Worksheet, IPR Statutory Checklist, Substantial Reconstruction Worksheet (if applicable), DHCD Housing Quality Standards, Part 1, HUD Section 8 Inspection Form, Eligibility Photos, Work Write-up and Estimated Cost of Rehab, Bid Tab and Copy of Lowest, Responsive, Responsible Bid and Pre-construction Lead Test Results Documentation (if applicable).
 - F. The Project Completion Report must be uploaded into CAMS along with supporting documentation.
 - G. All annual financial audit reports required by this contract shall be submitted through CAMS.

GENERAL CONDITIONS

1. DEFINITIONS - Whenever used in the CONTRACT DOCUMENTS the following terms when written in all capital letters shall have the meanings indicated and shall be applicable to both the singular and plural thereof:
 - A. AMENDMENT - A formal addition or modification to the CONTRACT DOCUMENTS which has been approved in writing by both parties, and which affects the scope, objectives or completion date of the PROGRAM, or which affects the manner in which the PROGRAM is to be carried out.
 - B. ASSURANCES - The ASSURANCES which are attached to this document.
 - C. CONTRACT DOCUMENTS - The legal agreement between DHCD and the SUBRECIPIENT including the AGREEMENT and all documents referenced in paragraph 9 thereof.
 - D. HOME FUNDS - Funds made available under this part through allocations and reallocations, plus all repayments and interest or other return on the investment of these funds including Program Income.
 - E. HOMEOWNERSHIP - Ownership is fee simple title interest in a dwelling.
 - F. HUD - The United States Department of Housing and Urban Development.
 - G. IMPACT FEE – A fee or charge, levied by a government against a property, to cover wholly or partly the cost of providing capital improvements or public services necessitated by the construction or alteration of a residential development.
 - H. INDOOR PLUMBING REHABILITATION LOAN PROGRAM (IPR) - The funds, the PROGRAMS and PROJECTS to be funded, and all conditions, laws and regulations affecting administration of funds currently in effect or as subsequently amended, and provided by DHCD to the SUBRECIPIENT from HOME funds allocated by the U.S. Department of Housing and Urban Development, and funds provided by the Commonwealth of Virginia.
 - I. LOW-INCOME FAMILIES – Households whose annual incomes do not exceed 80 percent of the median income for the area, as determined annually by HUD with adjustments for smaller and larger families.
 - J. MANUAL - The Indoor Plumbing Rehabilitation Manual, which contains required forms and instructions for the administration of IPR Loans and provides required and non-required procedures for program management.

- K. PROGRAM INCOME - Any income earned from the repayment of loans, which must be utilized in accordance with an approved Program Income Plan and the IPR Program Manual.
 - L. PROGRAM MANAGEMENT PLAN - A Plan prepared by the SUBRECIPIENT, which identifies roles, responsibilities, method of contract administration and oversight, key dates for task implementation and completion, analysis of potential problems and management organization.
 - M. PROJECT - The physical activities undertaken to meet the overall stated objective for which IPR funding is utilized. Project Set-Up Report includes an identified HUD number attached to the site for purposes of tracking expenditures and beneficiaries. Project Completion Report includes the final analysis of a specific project.
 - N. RECONSTRUCTION (Substantial Reconstruction) - The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. The reconstructed housing must be substantially similar to the original housing.
 - O. SUBRECIPIENT - A public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program. A Subrecipient can be further defined as the entity which made the proposal for Indoor Plumbing Rehabilitation funding and accepted responsibility for assuring compliance and performance of all conditions. The entity which is the recipient of the funds and, as such, must comply with CONTRACT DOCUMENTS.
 - P. VERY LOW-INCOME FAMILIES - Households whose annual incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
 - Q. WORK - All labor, equipment and materials necessary to complete the construction of the PROJECT as required by the CONTRACT DOCUMENTS.
 - R. WRITTEN NOTICE - Any notice from one party to the AGREEMENT to the other signed by an authorized official which transmits binding statements of fact or condition and is delivered to the appropriate authorized official either in person or through the United States Postal Service.
2. ADMINISTRATIVE PROCEDURES - The SUBRECIPIENT shall perform all contracted WORK and administer all funds and activities in conformance with the general terms and special conditions set forth where required in DHCD's IPR PROGRAM MANUAL, and any

WRITTEN NOTICES from DHCD.

3. ACCOUNTING RECORDS - The SUBRECIPIENT shall establish and maintain separate accounts within its existing accounting system or set up accounts independently which conform with the requirements of the Code of Federal Regulations (24 CFR Part 85 for Local Governments and 24 CFR Part 84 for Nonprofits), the IPR PROGRAM MANUAL requirements and any WRITTEN NOTICES from DHCD. The SUBRECIPIENT shall record in its accounting system all IPR Loan payments by locality received by it pursuant to this IPR Loan Program and all other funds provided for, accruing to, or otherwise received on account of the IPR Loan Program.

All costs, including paid services contributed by the SUBRECIPIENT or others, charged to the IPR Loan Program shall be supported by properly executed payrolls, time records, invoices, CONTRACTS, or vouchers evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, CONTRACTS, vouchers, orders, or other accounting documents pertaining in whole or in part to the IPR Loan Program shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall reside at the offices of the SUBRECIPIENT and be available for financial reviews by DHCD and other agents performing an audit.

4. COSTS INCURRED PRIOR TO IPR LOAN AGREEMENT EXECUTION - No costs incurred prior to the execution of the AGREEMENT shall be eligible for reimbursement with IPR funds, unless such incurred costs are authorized in writing by DHCD.
5. BUDGET REPORT - The SUBRECIPIENT shall carry out Projects and incur costs only in conformance with the latest approved Budget Report and Set-ups for the SUBRECIPIENT'S IPR Loan Program and subject to the provisions of these CONTRACT DOCUMENTS. The budget may be revised through Administrative Procedures detailed in the IPR PROGRAM MANUAL, but no such budget or revision shall be effective unless and until the Department shall have approved the same in writing or as indicated in item 16 of these General Conditions.
6. RECORDS - The SUBRECIPIENT shall maintain such records at its office and in such a manner as prescribed in the MANUAL. Records shall be readily accessible to DHCD, appropriate State and Federal agencies, and the general public during the course of the PROGRAM and shall remain intact and accessible for five years from final closeout. Except if any litigation claim or audit is started before the expiration of the five year period the records shall be retained until such action is resolved. Notwithstanding, records of any nonexpendable property must be retained for a five year period following final disposition.
7. REPORTS - The SUBRECIPIENT shall furnish, regularly and in such form as DHCD may require, reports concerning the status of PROJECTS and grant funds. Such reports shall be submitted in the form and manner as prescribed in the IPR PROGRAM MANUAL and in WRITTEN NOTICES from DHCD.

All reports shall be completed in full and submitted at the time prescribed by DHCD. Reports shall contain accurate information and shall detail any problems, delays or adverse conditions experienced.

8. **QUALITY CONTROL** - The SUBRECIPIENT accepts the responsibility to assure that all IPR Loan funded PROJECTS shall be implemented with the highest possible degree of competence, workmanship, quality and cost effectiveness. To this end the SUBRECIPIENT shall provide a system of quality control to include all aspects of IPR Loan Program administration and PROGRAM implementation.

The SUBRECIPIENT shall obtain a certification of inspection and final completion signed by the Rehabilitation Specialist or by the person responsible for quality control at the completion of each construction PROJECT.

9. **COMMUNICATIONS - WRITTEN NOTICES** shall constitute the only means of binding statements of fact or condition between the parties of this agreement. All required reports and requests to be issued by the GRANTEE must be made by way of a WRITTEN NOTICE unless other means are specified in the CONTRACT DOCUMENTS. Please note that project-specific technical assistance provided via email does NOT have the weight of official WRITTEN NOTICE. Rather, it is comparable to oral technical assistance discussions. All directives, findings and other formal issuance by DHCD must be transmitted through a WRITTEN NOTICE unless otherwise specified in the CONTRACT DOCUMENTS.

WRITTEN NOTICES shall be signed by and addressed to the appropriate authorized official and shall be considered transmitted when delivered in person or through the United States mail.

The GRANTEE shall act upon and respond to WRITTEN NOTICES promptly as directed.

10. **BENEFITS** - The IPR Loan Program shall be implemented in such a manner so as to provide direct benefit to low- and moderate-income households in the number and extent identified in the PROGRAM MANAGEMENT PLAN.
11. **PROGRAM INCOME** - Revenue derived from projects financed with IPR funds is PROGRAM INCOME and shall be utilized in the following manner:
 - A. PROGRAM INCOME earned during the life of this contract from projects funded under this contract is considered to be Active Program Income, and shall be utilized on the PROGRAM in accordance with this AGREEMENT. PROGRAM INCOME shall be utilized in conformance with an approved Program Income Plan and such payments shall be utilized to offset grant draw downs from setups for projects in the

same locality. All active PROGRAM INCOME must be expended prior to close out of the contract or returned to DHCD.

- B. INCOME received after contract termination must be used to continue the same activity in the same locality that originally produced the PROGRAM INCOME and in accordance with the Manual.
- 12. LOAN REPAYMENTS - The SUBRECIPIENT shall act to safeguard the financial integrity of the IPR. Loan repayments by the beneficiaries are intended to provide a revolving fund for future IPR Loans within localities of the SUBRECIPIENT'S service area. The failure to repay loans by a homeowner shall in no way become a financial obligation of the SUBRECIPIENT or locality. The SUBRECIPIENT must however operate within its approved Program Management Plan to require payment of all deferred or delinquent loan installments.
 - 13. CONTRACT SECURITY - The SUBRECIPIENT shall secure all materials and equipment, purchased or paid for with grant funds through insurance coverage of the full value of the same.

All persons contracted, employed or otherwise utilized in the grant and having responsibility for the management, disposition, expenditure or use of IPR funds shall be bonded by a Surety registered to do business in the Commonwealth of Virginia in an amount commensurate with their authority and potential liability.
 - 14. METHOD AND TIMING OF PAYMENT - The SUBRECIPIENT shall utilize Request for Payment procedures as specified in the IPR PROGRAM MANUAL. The SUBRECIPIENT shall request funds only for those amounts which have been obligated, encumbered or expended through other accounts and which can be expended upon receipt or soon thereafter. To this end, the SUBRECIPIENT shall develop a financial management system which provides for timely expenditure of requested IPR funds.
 - 15. BUDGET REVISIONS/AMENDMENTS - The SUBRECIPIENT shall not obligate, encumber, spend or otherwise utilize IPR funds for any activity or purpose not included or not in conformance with the Project Setup, Budget, IPR Program Manual and Program Management Plan as approved by DHCD unless the SUBRECIPIENT has received explicit WRITTEN NOTICE from DHCD to undertake such actions.
 - 16. CHANGE ORDERS - DHCD must approve all change orders on construction contracts. Any change order not previously approved by DHCD will be a disallowed IPR cost.
 - 17. TERMINATION, SUSPENSION, CONDITIONS -
 - A. FOR CAUSE - If through any cause, the SUBRECIPIENT or DHCD fails to comply

with the terms, conditions or requirements of the CONTRACT DOCUMENTS the other party may terminate or suspend this AGREEMENT by giving WRITTEN NOTICE of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

If, after the effective date of any suspension of this AGREEMENT, it is mutually agreeable to DHCD and the SUBRECIPIENT upon remedy of any contract violation by the SUBRECIPIENT or DHCD, the suspension may be lifted and the AGREEMENT shall be in full force and effect at a specified date after the parties have exchanged WRITTEN NOTICES stating a mutual understanding that the cause for suspension has been identified, agreed to and remedied. In the case of contract violations by the SUBRECIPIENT, DHCD may impose conditions other than termination or suspension which are appropriate to ensure proper grant and PROGRAM administration and adherence to the terms of the CONTRACT DOCUMENTS. Such conditions must be imposed through WRITTEN NOTICE.

B. FOR CONVENIENCE - DHCD may terminate this AGREEMENT for convenience in the event that DHCD is no longer authorized as an agency to administer the IPR LOAN PROGRAM or if the federal or state funds allocated are no longer available. The SUBRECIPIENT may terminate this AGREEMENT for convenience at any time provided that all of the following conditions are met:

- i) The SUBRECIPIENT gives DHCD ten (10) days WRITTEN NOTICE; and
- ii) HOUSING UNITS for which construction was initiated must be completed by the SUBRECIPIENT through its own or other resources; and
- iii) The SUBRECIPIENT had honored or will honor all contractual obligations to third parties affected by the PROGRAM; and
- iv) DHCD agrees to the termination.

A SUBRECIPIENT'S valid termination for convenience in accordance with these CONTRACT DOCUMENTS shall not affect nor prejudice the SUBRECIPIENT'S future relationship with DHCD nor its future consideration as an IPR recipient.

18. SUBSEQUENT CONTRACTS - The SUBRECIPIENT shall remain fully obligated under the provisions of the CONTRACT DOCUMENTS notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the ACTIVITIES for which the Grant assistance is being provided to the SUBRECIPIENT.

Any CONTRACTOR or SUBCONTRACTOR or other entity which is not the SUBRECIPIENT but is acting on behalf of the SUBRECIPIENT shall comply with all the lawful requirements of the SUBRECIPIENT necessary to ensure that the PROGRAM for which this assistance is being provided under this AGREEMENT is carried out in accordance with the SUBRECIPIENT'S Assurances and Certifications.

SUBRECIPIENTS shall obtain a Financial Disclosure Report from all contractors, subcontractors, developers and consultants which identify the names and the financial interest of all officers, directors, principal stockholders or additional persons with a 10 percent or greater interest in the contract obtained from the Subrecipient.

19. **POLITICAL ACTIVITY PROHIBITED** - None of the funds, materials, property or services contributed by the DHCD or the SUBRECIPIENT, under this AGREEMENT, shall be used in the performance of any partisan political activity, or to further the election or defeat of any candidate for public office.
20. **INTEREST OF MEMBER OF AGENCY AND OTHERS** - No officer, member, or employee of the SUBRECIPIENT and no member of its governing body, and no other public official of the governing body of the locality or localities in which the PROGRAM is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this PROGRAM shall participate in any decision relating to this AGREEMENT which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this AGREEMENT or the proceeds thereof.
21. **OFFICIALS NOT TO BENEFIT** - No member of or delegate to the Congress of the United States of America and no Resident Commissioner shall be admitted to any share or part hereof or to any benefit to arise there from.
22. **CERTIFICATIONS** - The SUBRECIPIENT certifies that it will comply with the following:
a) Freedom of Information Act; b) Virginia Conflict of Interest Act; and c) Virginia Fair Employment Contracting Act.
23. **BENEFICIARIES** - There are no third party beneficiaries of this contract. The provisions contained in these CONTRACT DOCUMENTS represent the entire AGREEMENT between DHCD and the SUBRECIPIENT. The provisions are designed to assist in meeting the Indoor Plumbing needs of the localities identified in the SUBRECIPIENT'S PROGRAM MANAGEMENT PLAN, but are not designed to accrue to the specific benefit of any individual person or entity residing or located in the SUBRECIPIENT'S identified jurisdiction(s) or elsewhere. Consequently, the terms of these CONTRACT DOCUMENTS may be enforced by DHCD or the SUBRECIPIENT exclusively and not by any individual person or entity residing or located in the SUBRECIPIENT'S community or elsewhere as a third-party beneficiary of this contract.

ASSURANCES/CERTIFICATIONS

The SUBRECIPIENT hereby assures and certifies that:

- (a) It possesses legal authority to execute the Contract.
- (b) Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the IPR PROGRAM MANAGEMENT PLAN including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the SUBRECIPIENT to act in connection with the PROGRAM MANAGEMENT PLAN and to provide such additional information as may be required.
- (c) Its chief executive officer or other officer of SUBRECIPIENT approved by the Virginia Department of Housing and Community Development:
 - (1) Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.5(a) through (h) which further the purposes of NEPA insofar as the provisions of such Federal law apply to this Grant;
 - (2) Is authorized and consents on behalf of the SUBRECIPIENT and himself to accept the jurisdiction of the Federal and Commonwealth of Virginia courts for the purpose of enforcement of his responsibilities as such an official.
- (d) All GRANTEES that receive funding during a specific program year are required to submit one of the following financial documents: Financial Statement**, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an independent CPA or an OMB A-133 Audit (Single Audit) prepared by an independent CPA. Please see the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the *minimal* standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures \leq \$100,000 – regardless of source	Financial Statement prepared by organizations**
Total annual expenditure between \$100,001 and \$300,000 – regardless of source	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures $>$ \$300,000 – regardless of source	Audited Financial Statement prepared by an Independent CPA
Federal expenditures \geq \$500,000 (<i>increases to \$750,000 as of January 2015</i>)	OMB A-133 Audit (Single Audit) prepared by an Independent CPA

**Does not require preparation by a CPA

Entities shall file the required financial document in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 (thirty) days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and OMB A-133 Audit only) -whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:

http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf.

- (e) It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards and Executive Order 12088 relating to the prevention, control and abatement of water pollution.
- (f) It will require buildings or facilities designed, constructed, or altered with funds provided under this Grant to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1980, or Uniform Federal Accessibility Standards (UFAS) in accordance with the Virginia Uniform Statewide Building Code. The SUBRECIPIENT will be responsible for conducting inspections to insure compliance with these specifications by the contractor.

- (g) It will not recover the capital costs for public improvements financed in whole or in part with IPR funds through assessments against properties owned and occupied by low- and moderate- income persons nor will fees or assessments be charged to such persons as a condition of obtaining access to the public improvements.
- (h) In accordance with Section 104(l) of Public Law 93-383 the Housing and Community Development Act, as amended, certifies that: it has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is subject of such nonviolent civil rights demonstrations within its jurisdiction.
- (i) It will ensure that:
 - (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and CONTRACTS under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$ 10,000 and not more than \$ 100,000 for each such failure.

(j) It will comply with:

- (1) Title VI of the Civil Rights Act of 1964 (Pub. L 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any PROGRAM or activity for which the SUBRECIPIENT receives Federal financial assistance and will immediately take any measure necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the SUBRECIPIENT, this assurance shall obligate the SUBRECIPIENT, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.
- (2) Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all PROGRAMS and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.
- (3) Section 92.350 of the Home Investment Partnership Program (24 CFR Part 92 July, 12, 1995), as amended, and the regulations issued pursuant thereto which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any PROGRAM or activity funded in whole or part with funds provided under this Grant. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 shall also apply to this Grant.
- (4) Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
- (5) Executive Order 11246, and the regulations issued pursuant thereto (41 CFR Chapter 60), which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or federally assisted construction CONTRACTS. Contractors and subcontractors on Federal and federally assisted construction CONTRACTS shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.

- (6) Section 906 of Public Law 100-625 (Cranston-Gonzalez National Affordable Housing Act) which prohibits discrimination on the basis of religion or religious affiliation. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any PROGRAM or activity funded in whole or in part with CDBG funds on the basis of his or her religion or religious affiliation.
- (k) It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the PROGRAM area and CONTRACTS for work in connection with the PROGRAM be awarded to eligible business concerns which are located in, and owned in substantial part by, low- to moderate-income persons residing in the area of the PROGRAM.
- (l) It will in the acquisition of real property and in the process of relocation:
 - (1) Be guided, to the greatest extent practicable under State law, by the land acquisition policies in Sections 301 and 302 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; as amended, and
 - (2) Pay or reimburse property owners for necessary expenses as specified in Section 303 and 304 of the Uniform Act; and
 - (3) Comply with the applicable Sections 202 through 205 of Title II (Relocation Assistance) of the Uniform Act in providing relocation payments and relocation assistance; and
 - (4) Comply with U.S. Department of Transportation regulations at 49 CFR Part 24 and in implementing the requirements, it will:
 - (i) Carry out the policies and procedures of Part 24 in a manner that insures that the acquisition and relocation processes do not result in different or separate treatment to persons on account of race, color, religion, sex, national origin, or source of income; and
 - (ii) Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of race, color, religion, sex, national origin, or source of income; and
 - (iii) Inform affected persons of their rights under the policies and procedures set forth under the regulations in Part 24, including their rights under Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968, as amended.
 - (iv) Comply with Executive Order 12830, Governmental Actions and Interference with Constitutionally Protected Property Rights, and

- (5) It will develop and follow a "Residential Anti-Displacement and Relocation Assistance Plan," in accordance with Section 104(d) of the Housing and Community Development Act of 1974, as amended and 24 CFR Section 570.488 (c).
- (m) It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- (n) It will comply with the provisions of the Hatch Act which limits the political activity of employees.
- (o) On individual construction contracts which include twelve (12) or more units, it will administer and enforce the provisions of the Davis-Bacon Act as amended, and the Contract Work Hours and Safety Standards Act as set forth by DHCD and U.S. Department of Labor.
- (p) It will give the Virginia Department of Housing and Community Development and the Comptroller General through any authorized representatives access to and the right to examine all records, books, papers, or documents related to the grant.
- (q) It will ensure that facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the PROGRAM are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Virginia Department of Housing and Community Development of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating consideration for listing by the EPA.
- (r) It will comply with the flood insurance purchase requirements of Section 102 (a) of the Flood Disaster Protection Act of 1973, Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area, that has been identified by the Director of the Federal Emergency Management Agency as an area of having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
- (s) It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. seq.) by:
 - (1) Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to

adverse effects (see 36 CFR Part 800.8) by the proposed ACTIVITY, and

- (2) Complying with all requirements established by HUD and the Virginia Department of Housing and Community Development to avoid or mitigate adverse effects upon such properties.
- (t) It will implement all required actions to ensure compliance pursuant to 24 CFR Part 8, Nondiscrimination Based on Handicap in Federally Assisted PROGRAMS and Activities.

Date